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TAGS: TBIO AMED CASC SENV EAGR EAID EG KFLU

SUBJECT: EGYPT: AVIAN INFLUENZA UPDATE

REF: A. CAIRO 1100

1B. CAIRO 1007

1C. CAIRO 1006

This message is sensitive but unclassified. Please protect accordingly.

Summary

11. (SBU) H5N1 avian influenza (AI) has spread to 17 Egyptian governorates, and new cases are being reported daily. The GOE enforced drastic measures to contain the avian influenza (AI) outbreak, and has decided to vaccinate poultry, but the poultry industry has collapsed, and promised compensation has not appeared, fueling mistrust of the government. End summary.

The Scope of the Problem

12. (SBU) Since the GOE announced the first confirmed case of H5N1 avian influenza (AI) on February 17, the outbreak has spread to 17 of Egypt's 26 governorates, Gharbia being the most recent addition. New cases are being reported every day in Sharqia, Qalyubia, and Giza; poultry has now been almost completely eliminated from these areas. There have been no reported cases of AI infection in humans to date. Conflicting reports on the numbers of cases, culled chickens, and locations make statistics difficult to verify. While the GOE's official website (<http://birdflu.sis.gov.eg/html/flu01001.htm>) reports approximately 320,000 birds have been culled, GOE sources tell us that the number is closer to 2.5 million.

13. (SBU) Post has learned of a significant die-off of pigs in Qalyubia governorate, apparently tens of thousands of animals. Post has also received reports of large numbers of pigs being thrown into canals. The cause of the Qalyubia die-off has not been determined; none of the swine pulled from canals have tested positive for AI. The pig killings may be a reaction to Egyptian press reports claiming that ducks and pigs carry AI and transmit it to chickens.

The GOE Response

¶4. (SBU) The GOE moved quickly to control the outbreak by culling sick birds and preventing the movement, as much as possible, of domesticated birds. The Ministry of Health and Population (MOHP) reports that 30% of infected birds have been found in commercial operations, while 70% have been found in household flocks. The government measures include: a ban on the transport between governorates or districts of live poultry (the ban does not apply to frozen poultry or eggs); a prohibition on slaughter outside licensed slaughterhouses; closure of all poultry shops; and a prohibition on keeping poultry in backyards and rooftops or on unlicensed small farms. These decrees were renewed for another 15-day period on March 6 (see <http://birdflu.sis.gov.eg/html/flu010168.htm>) . The GOE also plans to strengthen regulation of the poultry industry and to bolster biosecurity measures in poultry farms.

¶5. (SBU) Ministry of Defense chemical units are taking the lead in culling poultry. GOE policy is to cull all birds within a three kilometer radius of a positive H5N1 sample and provide LE 5 (app. \$0.87) per bird compensation to farmers. From three to six kilometers from a positive test, GOE policy is to provide LE 3 per bird for feed for healthy birds through their life cycle and an additional LE 2 per bird if at the end of that cycle the producer is unable to sell the birds to a slaughterhouse.

¶6. (SBU) It is proving difficult to clarify how compensation is being handled in practice. Many farmers express certainty that others have received compensation while asserting that they have not received any themselves. Post has also received anecdotal reports of compensation fraud on the part

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of some producers who, in order to sell healthy but now worthless chickens, have resorted to bribing officials to declare their area H5N1 positive so that they may qualify for the compensation scheme described above.

¶7. (SBU) The GOE has reportedly decided to attempt to vaccinate its poultry industry, and has purchased 25 million doses of AI vaccine from China. The MOHP has also distributed 74,000 doses of Tamiflu to hospitals around the country as a precautionary measure. All fever hospitals have been instructed to submit samples to the MOHP from any patients showing flu symptoms.

¶8. (SBU) To limit rapid spread of infection in future AI outbreaks, MOHP has proposed transforming the poultry sector from small-scale farming and live-bird trade into large-scale commercial poultry farms and government-approved processing plants. If this vision is implemented, it will be a dramatic change for an industry that, before the outbreak, was conducting 90 percent of its business as live-bird trade through an extensive country-wide network of small-scale retailers. Industry sources estimate that some \$320 million of investment would be needed to build a large-scale commercial industry able to meet pre-crisis poultry demand.

The Economic Impact

¶9. (SBU) Before the crisis, Egypt's \$3 billion poultry industry employed 1.5 million workers. Poultry, which was one-third the price of beef, accounted for half of the protein in the Egyptian diet, even more in the case of poor Egyptians. The industry has been decimated not only by the culling of birds and closure of poultry shops, but by widespread fear of eating any poultry. The manager at a busy downtown KFC outlet told us that the restaurant now averages less than 50 customers a day, compared to almost a thousand daily customers before the AI outbreak. Most restaurants have stopped serving chicken altogether. The collapse in demand has created a poultry reserve of about 30 million

birds and 100 million eggs. However, frozen chickens, processed in Egypt, are once again available in the market.

¶10. (SBU) There are no precise figures available on the loss to the industry, but it is clear that poultry farmers are being hard hit. The Ministry of Agriculture stated that the industry has been losing roughly \$2 million per day for the last three months. The farmers claim that government compensation is insufficient to cover their losses. The government has promised further unspecified assistance in the form of debt and tax relief, but such aid will not address the immediate financial crisis.

¶11. (SBU) The Egyptian poultry industry relies on imports for all of its inputs. Before the crisis, yellow corn, soybean products, feather meal and corn gluten were largely imported from the U.S. In addition, Egypt imports grandparent stock and chicks from the U.S. Feed consumption has dropped by 50%, and although standing feed orders have not been cancelled, no new orders have been tendered; the Foreign Agricultural Service (FAS) estimates a loss of \$200 million to the U.S. as a result.

Public Reaction

¶12. (SBU) Despite GOE claims that all is calm, there has been widespread general concern about the government's handling of the AI outbreak and a number of protests. The protests have largely been by poultry workers, including one outside parliament on February 26 denouncing the government's decision to close down street merchants selling poultry. More recently, about 600 poultry workers demonstrated in central Cairo on March 1, and another group demonstrated March 5 in Alexandria, demanding better compensation and the reopening of their businesses. The Muslim Brotherhood has criticized the GOE's response to AI and has announced its own awareness campaign, claiming the government information is false.

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Assistance to the GOE

¶13. (SBU) USAID has re-directed \$1.5 million from its health assistance budget as a set-aside for assistance to the MOHP's AI response, with \$500,000 earmarked for an MOHP emergency assistance proposal and the remaining \$1 million to be made available for long-term preparedness. Another \$140,000 allocated for joint USAID/GOE health projects has been channeled into the emergency response.

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